

METHODS OF SELECTION OF OPTIMAL MARKET SUPPLY CHANNEL IN THE GLOBAL STEEL MARKET

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The development of the domestic steel industry is used to consider as one of the major factors of economic growth. Practically, there is no company, which does not use steel products. Steel is the main construction material for manufacturing tools and instruments of production that affect directly the quantity and quality of production, the level of development of productive forces, the temp and scale of technological progress. A purpose of the research is to develop the methodology of country selection, as a new market, and required market supply channel, that would be able to give a better effect in the particular country. Two groups of countries were selected by the criteria of existence of domestic steel production to analyze dynamics of steel market. The criteria were chosen due to the different structure of market supply channels (MSC). A sum of produced and imported steel except volume of exported steel fulfils consumption in countries with domestic production. The consumption in countries without domestic production is equal to the volume of imported steel with the exception of exported steel. Countries were ranked by the quantity of each market supply channels increase comparing the year before to determine tendencies.

1. Group: Market supply channel increased in 100-70% of observations.

2. Group: Market supply channel increased in 70-30% of observations.

3. Group: Market supply channel increased in 30-0% of observations.

Analysis was carried out in cases of increase and decrease in consumption. Using a factor of quantity of growth gives an ability to determine propensity of development of each market supply channel in favorable economic conditions - the growth of consumption in the country, and stress stability during negative conditions of reducing consumption. Arithmetic average was used to summarize data in groups of countries with sieving values, which are either higher or lower than change of consumption in ten times.

The results of analysis showed the following results: Selected groups of countries have higher ratio of chosen market supply channel change to consumption change than other groups of countries; The group of countries ratio of production or import to consumption is higher in terms of growing consumption than when consumption decreases. It proves that increasing consumption is an effective engine of market supply channels growth; Selection of the 1st group of countries maximizes growth of market supply channels. Average growth of selected channel would be higher than others.